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TOM LYTHGOE, CHAIR

DAVE KIRSCH

LEONARD WORTMAN

**PROCEEDING OF THE BOARD OF COMMISSIONERS
COUNTY OF JEFFERSON, STATE OF MONTANA
April 27, 2010**

Present: Commissioners Kirsch and Wortman; Harold Stepper and Mike Hoffman, County Planners; Megan Bullock, County Sanitarian; Matt Johnson, County Attorney; Tara Mastel and Tom Harrington, JLDC; Jan Anderson, *Boulder Monitor/Jefferson County Courier*; Bob Marks, Barbara Sunderland, Colleen Teeling, Molly Molitor

Absent: Commissioner Lythgoe

MINUTES

Commissioner Wortman moved to approve the April 6 minutes. Commissioner Kirsch seconded. The motion carried.

CORRESPONDENCE

Commissioner Kirsch read an e-mail from Bob and Connie Sims regarding funds available for water quality assessment. They would like to get some of the grant funds for water testing in the Boulder Valley and would like a letter of support from the Commission to pursue the grant. Commissioner Wortman moved to write a letter of support. Commissioner Kirsch seconded. The motion carried.

Commissioner Kirsch read a letter from the Jefferson Valley Conservation District requesting the full mills allowed to them for the next fiscal year. The letter will go into the FY10-11 budget file.

CALENDAR REVIEW

4/28 Boyd Andrew - Helena - noon
4/29 Meeting regarding north Jefferson County zoning - 8:00
Emergency meeting regarding south campus - 1:00

COMMISSION REPORTS

SOLID WASTE BOARD

Commissioner Wortman reported that on Tuesday he attended a Solid Waste Board meeting. One of the topics of discussion was the hiring of a new manager. They decided that they would offer the position to an applicant from Anaconda. He hasn't yet heard the outcome of this.

ROAD DISCUSSION

Commissioner Wortman reported that on Wednesday he viewed a road, Shoddy Road, with Joe Carter. People are concerned with drainage problems. There is some question if this is a county road.

SOUTH METAL MINES COMMITTEE

Commissioner Wortman reported that on Friday morning he sat in on the south metal mines grant committee meeting.

SUBDIVISION REVIEW

DISCUSS AND DECIDE ON SUBDIVISION IMPROVEMENT AGREEMENT FOR SHEEP MOUNTAIN 1, 2, 3 AND 4 SUBDIVISIONS

Mike Hoffman, County Planner, presented the subdivision improvement agreement for the Sheep Mountain 1, 2, 3 and 4 subdivisions. The developer has agreed to install guardrails along portions of newly constructed or upgraded roads. The installation will be reviewed and signed off by an engineer. The developer has presented an irrevocable letter of credit in the amount of \$24,601.50. Mike showed the Commission the engineered drawings of the work still to be done that will be bonded.

Mike stated that based on the information provided to the county by the developer, he would recommend that the county enter into the subdivision improvement agreement for the installation of the guardrails.

Commissioner Wortman moved to approve the subdivision improvement agreement. Commissioner Kirsch seconded. The motion carried.

Bob Marks asked if the guardrails will be placed according to county road standards.

Mike stated that the engineer will certify the guardrails before the bond is released. The engineer will follow ASHTO standards; the county has no road standards regarding guard rails.

FINAL PLAT REVIEW – SHEEP MOUNTAIN 1, 2, 3 AND 4 SUBDIVISIONS

Mike Hoffman, County Planner, stated that he would like to respectfully request that this discussion be put off until a later date. They are still working with the developer and the Weed

District to get a weed plan developed and approved. They anticipate that this will happen sometime around May 13th.

Commissioner Wortman asked if the engineer has been informed of the concerns that Joe Carter had regarding things that needed to be done, such as extension of the culverts. Mike stated that he is waiting, as he somewhat jumped the gun in scheduling this for final plat review, and he doesn't want to jump the gun on the engineer also. He wants to give the engineer time to go inspect the site, but he will be sure to address this with the road supervisor and the engineer prior to scheduling this again.

Commissioner Wortman moved to table this item. Commissioner Kirsch seconded. The motion carried.

ITEMS FOR COMMISSIONERS ACTION OR REVIEW

DISCUSS AND DECIDE ON PRELIMINARY ENGINEERING REPORT FOR NORTH JEFFERSON COUNTY TIF DISTRICT

Tara Mastel, JLDC, stated that the TIF advisory board has met four times. The board developed a work plan which was adopted by the Commission on April 6th. In the work plan is this first initial project, to do a preliminary engineering report. The report is required to construct the infrastructure in the northern district and will facilitate industrial development in the district. Included in the engineering report would be project management, and the report would describe the infrastructure needs, the phasing, the scheduling and the cost for any infrastructure. This would allow for the planning of the financing of the infrastructure. The report itself would include overall project details, discussing the potential options for phasing the infrastructure, and discussing potential businesses that might occupy the site. The report will be ready three weeks after Commission approval.

The cost of the PER is \$5,000 and the TIF advisory board has reviewed the proposal and they have approved it. They are suggesting that the county loan this amount from the metal mines economic development fund and it will be paid back when money comes in from tax proceeds.

Commissioner Wortman moved to approve the loan of \$5,000 from metal mines economic development funds for the PER for the north TIF District. Commissioner Kirsch seconded. The motion carried.

DISCUSS AND DECIDE ON DESIGNATING JEFFERSON COUNTY AS A RECOVERY ZONE FOR PURPOSES OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

Tom Harrington, JLDC, stated that they are asking the Commission to pass a resolution that will allow Jefferson County to utilize recovery act bonds. Some monies have been turned back because they were not used and they are eligible for reallocation. There is approximately \$90 million available. It is incumbent on those that want to use the bonds to go out and find a third-

party lender that is willing to issue the money to them and the county is used as a pass-through in order for them to get the tax free status on the loan. The process is that the county declares a recovery zone, the resolution goes to the governor's office for approval, if they deem it appropriate the county is added to the list. There is then an application process that the business would have to follow to use some of the allocated funds.

Commissioner Kirsch asked if there is any way that the bank could get hurt on this. Tom stated that this is no different than a normal loan process; this is just a way to pass down tax free dollars. This is a way for private companies to get tax-free loans that is normally reserved for non-profit and governmental entities.

Commissioner Wortman moved to designate Jefferson County as a recovery zone. Commissioner Kirsch seconded. The motion carried.

RESOLUTION 10-2010 A RESOLUTION DESIGNATING JEFFERSON COUNTY AS A
RECOVERY ZONE FOR PURPOSES OF THE AMERICAN RECOVERY AND
REINVESTMENT ACT OF 2009

Commissioner Wortman read the resolution as follows:

RESOLUTION 10-2010

**A RESOLUTION DESIGNATING JEFFERSON COUNTY AS A
RECOVERY ZONE FOR PURPOSES OF THE AMERICAN RECOVERY
AND REINVESTMENT ACT OF 2009**

WHEREAS, the American Recovery and Reinvestment Act of 2009 ("ARRA") was signed into law on February 17, 2009, which includes the following Statement of Purposes: (1) to preserve and create jobs and promote economic recovery; (2) to assist those most impacted by the recession; (3) to provide investments needed to increase economic efficiency by spurring technological advances in science and health; (4) to invest in transportation, environmental protection and other infrastructure that will provide long-term economic benefits; and (5) to stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive State and local tax increases; and

WHEREAS the ARRA provides that gross income does not include interest on any bond designated by the issuer thereof as a recovery zone economic development bond or a recovery zone facility bond ("Recover Zone Bonds"); and

WHEREAS, the ARRA provides that the proceeds of recovery zone economic development bonds must be used for qualified economic development purposes, i.e. - expenditures for purposes of promoting development or other economic activity in a recovery zone; and

WHEREAS, the ARRA provides that ninety-five (95%) or more of the net proceeds of a recovery zone facility bond must be used for recovery zone property which is in a recovery zone and is in the active conduct of a qualified business by the taxpayer in such zone; and

WHEREAS, the ARRA provides with respect to recovery zone economic development bonds and recovery zone facility bonds that a recovery zone is (1) any area designated by the issuer of such bonds as having significant poverty, unemployment, rate of home foreclosures, or general distress, (2) any area designated by the issuer of such bonds as distressed by reason of the closure or realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1990, and (3) any area for which a designation as an empowerment zone or renewal community is in effect; and

WHEREAS, Recovery Zone Bonds are designed to provide tax incentives for State and local governmental borrowing at lower borrowing costs to promote job creation and economic recovery targeted to areas particularly affected by employment decline; and

WHEREAS, the ARRA provides that Recovery Zone Bonds shall be subject to volume cap allocations, any portion of which received by a county or large municipality may be waived by such county or large municipality and re-allocated pursuant to the ARRA and Montana House Bill 645, adopted by the 2009 State Legislature, by the Montana Department of Administration (the "Department") in any reasonable manner as the Department deems in good faith, in its discretion, to be reasonable; and

WHEREAS, the Internal Revenue Service Notice 2009-50, provides, in part, that issuers designate eligible recovery zones based on certain specified criteria and that issuers that receive volume cap allocations for Recovery Zone Bonds may make designations of recovery zones in any reasonable manner as such issuer shall determine in good faith, in its discretion.

NOW, THEREFORE, at a regular meeting of the governing body of Jefferson County, duly called, noticed and held on the 27th day of April, 2010, upon motion duly made and seconded, it is resolved as follows:

1. In order for Jefferson County (the "Issuer") to avail itself of the economic development stimulus provisions contained in the ARRA, the Issuer, after careful consideration of all economic indicators including but not limited to, loss of employment, rate of home foreclosures, loss of retail sales and declining tax revenues, in its discretion and in good faith, and in compliance with Section 1400U-1(b) of the Internal Revenue Code of 1986, hereby designates Jefferson County as a recovery zone (the "Recovery Zone").

2. The Recovery Zone has suffered significant unemployment, a large increase in home foreclosures, and general economic distress.

3. All actions of the officers, agents and employees of any issuer of Recovery Zone Bonds that are in conformity with the purposes and intent of this Resolution, whether taken before or after the adoption hereof, are hereby ratified, confirmed and adopted.

4. Issuer shall administer and serve as issuer of any Recovery Zone Bonds for which an allocation is granted to Issuer, unless otherwise allocated by Issuer or the Department in accordance with ARRA.

5. This Resolution shall be in full force and effect from and after its final passage and approval according to law.

PASSED AND ADOPTED by the Jefferson County Board of Commissioners, this 27th day of April, 2010.

ATTEST:

BONNIE RAMEY
CLERK AND RECORDER

TOMAS E. LYTHGOE, CHAIR

DAVE KIRSCH, COMMISSIONER

LEONARD WORTMAN, COMMISSIONER

Commissioner Wortman moved to adopt the resolution. Commissioner Kirsch seconded. The motion carried.

DISCUSS GROUND WATER QUALITY ASSESSMENT STUDY

Megan Bullock, County Sanitarian, stated that in April 2009, the Montana State Legislature appropriated a grant that was to be administered through the DNRC Reclamation and Grants Program. The Jefferson County Commission applied for and was granted a grant through that program. Because of this, Jefferson County in cooperation with the USGS was tasked with assessing the groundwater quality within the county. We were putting an emphasis on the occurrence of the source of radioactive elements and septic related contaminants in the groundwater, as well as providing scientific information and study results for use by residents, state or local officials or any other interested parties.

Throughout the project, she has been assisting and participating with the USGS in sampling, and doing some of the groundwater sampling. The grant agreement specified that the project sponsor would provide \$15,138, half in funding and half in in-kind services. Her participation in the sampling counts as the in-kind services. Megan then presented her proposal for the \$7,322 in funding required from the county. There are wells that have tested high for radioactive elements. Often times when that happens they recommend to the homeowner that they purchase a reverse osmosis system and put it on the drinking water tap. The problem is that she doesn't know which brand to recommend or where to send them.

Her proposal is that she would like the county to purchase at least two each of several brands of reverse osmosis system and have the systems installed in the homes of people who have wells that tested high for radionuclides. The County would pay for the machine and pay to have the system installed. She has drawn up an agreement, and had the County Attorney review it, to test the effectiveness of the water treatment system on the removal of the radioactive elements. In trade for these people allowing the county to put the systems on their water, they would allow her to take a water sample once the system is on and she would get research data on how the system performs. Greg Mills is the liaison with DNRC and is the one that decides if this use is appropriate for the grant. She has contacted him and he says that this is fine as long as the Commission agrees with it.

Commissioner Wortman asked how many wells she is talking about. Megan said that she isn't sure. She needs to talk to Rod Caldwell. She hasn't done any shopping yet, so she doesn't know how many brands, makes/models there are. She would like to try at least two each of at least three different filters. The systems would stay with the homeowners, and they would be responsible for the upkeep of the system. Commissioner Wortman asked what will happen if someone gets a system that isn't effective. Megan said that she has talked to Commissioner Lythgoe about this, and his opinion is that if someone gets a system that isn't effective, the county would trade it for a system that has been found effective.

At this point, when people call with questions about this, neither she nor the state have any data on how the systems work. This would work as a test project and then she will have data to pass on to people who need these types of systems. Megan said that she is excited to do this research project and do something proactive with this funding.

Commissioner Wortman stated that the money has already been approved. Commissioner Wortman moved to approve Megan proceeding with research project. Commissioner Kirsch seconded. The motion carried.

SIGN CLOSING DOCUMENTS FOR SALE OF SOUTH CAMPUS TO THE JLDC

Matt Johnson, County Attorney, said that he was hoping to have closing documents ready for signature. However, MACo seems to have backtracked on covering insurance on the south campus if the county sells the property. On February 4, 2010 they sent an e-mail indicating that it would be no problem, they could continue the insurance. This morning they called and said that there is a problem. He is trying to get the problem resolved. He would suggest that the Commission notice an emergency session to deal with this on Thursday. Also, the lease with option to purchase expires May 3, before the next Commission meeting, so he would recommend that extension of the lease also be on the agenda for Thursday's emergency meeting.

Matt stated that he also found that the property they propose to sell to the JLDC contains the meth treatment facility. Somehow when the meth treatment center came about there was a boundary readjustment that basically moved the boundaries so that instead of just 19 acres of just south

Boulder campus this parcel now includes five acres with the meth treatment center; this will have to be fixed. There are some processes and methods of fixing that and this can be taken care of through the lease.

The meeting will be scheduled for Thursday at 1:00.

Commissioner Wortman moved to adjourn. Commissioner Kirsch seconded. The motion carried.

MEETING ADJOURNED

ATTEST:

**BONNIE RAMEY
CLERK AND RECORDER**

TOMAS E. LYTHGOE, CHAIR

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